



# **Convergen Energy LLC**

## **Employee Handbook**

**November 1, 2017**

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## **Introduction**

Convergen Energy (“The Company”) has prepared this handbook to provide a general outline of various policies, practices, and guidelines regarding your employment here. Our hope is that this handbook will answer many of your questions about the Company and its expectations of itself and you. A handbook cannot possibly address all the issues that might arise during the course of your employment. It can, however, attempt to cover many of them.

The Company reserves the right to supplement, to delete, or to modify any of the policies, practices, and guidelines contained in this handbook at any time and without prior notice. The Company also reserves the right, in the exercise of its discretion in individual cases and without prior notice, to waive or to decline to follow any guidelines contained herein. This handbook does not constitute a contract between the Company and you. The Company does not promise that any of the policies, practices, or guidelines described within the handbook will be binding on the Company, except as may be required by law.

## **Employment-At-Will**

Your employment with the Company is at-will. This means that you and the Company are free to terminate your employment at any time, for any reason with or without notice. Accordingly, the Company’s exercise of its right to terminate your employment remains wholly within its discretion, subject to the requirements of law, and is not limited to instances in which there has been a breach of any of the guidelines contained in this handbook or any other writing that may otherwise exist. No written or oral statement, representation, or agreement that is contrary to this at-will employment relationship shall be effective and binding upon the Company unless it is contained in an express written contract that is signed by you and an authorized officer of the Company. The Company does not intend to be bound to any oral statement, representation, or agreement or unsigned written contract or agreement.

## **Equal Employment Opportunity**

It is the policy of the Company to provide equal opportunity in employment to all employees and applicants for employment. No person is to be discriminated against in employment because of race, religion, color, marital status, age, sex, national origin, pregnancy, disability, or any other characteristic protected by applicable federal, state, or local law.

## **Anti-discrimination and Anti-harassment Policy**

### **Purpose**

This Statement is to confirm the Company's policy of nondiscrimination and nonharassment in employment, and its internal procedure for handling employee complaints relating to alleged discrimination and harassment.

### **Policy**

The Company prohibits harassing and/or discriminatory conduct in the workplace, whether based upon race, sex, color, age, national origin, religion, disability, sexual orientation or any other unlawful basis, including without limitation, sexual harassment, and whether committed by supervisory or non-supervisory personnel. This policy applies to all terms and conditions of employment, including, but not limited to, hiring, placement, promotion, termination, layoff, recall, transfer, leave of absence, compensation, and training.

### **Sexual Harassment**

Specifically, no supervisory personnel shall threaten or insinuate, either explicitly or implicitly, that an employee's submission to or rejection of sexual advances will in any way influence or adversely affect any decision by the Company regarding the employee's employment, evaluation, wages, advancement, assigned duties, shifts, or any other condition of employment or career development. Further, no employee of the Company may engage in any conduct which creates an intimidating, hostile, or offensive working environment. Therefore, for example, the Company prohibits:

1. Unwelcome sexual advances;
2. Requests for sexual favors; and
3. All other verbal or physical conduct of a sexual or otherwise offensive nature where:
  - Submission to such conduct is made either explicitly or implicitly a term or condition of employment;
  - Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting the individual; or
  - Such conduct has the purpose or effect of unreasonably creating an intimidating, hostile, or offensive working environment.

Any harassing and/or discriminatory conduct, including but not limited to the foregoing examples, will not be tolerated and will result in appropriate, remedial and/or disciplinary action up to and including dismissal, and may lead to personal legal and financial liability for an individual found to have committed such wrongful conduct.

## **Complaint Procedure**

Any employee who believes he or she has been subjected to or affected by any such harassing and/or discriminatory conduct should report such conduct to the appropriate supervisory personnel (if such supervisory personnel is not the source of or otherwise involved in the harassing and/or discriminatory conduct), who will advise the HR Manager, (if such person is not the source of or otherwise involved in the harassing and/or discriminatory conduct) of any such report, investigate the matter and take appropriate action after approval of and under the supervision of the HR Manager.

If the employee believes that reporting such conduct to the appropriate supervisor is for any reason inappropriate or unacceptable, or if a report to the supervisor has been made and the harassing and/or discriminatory conduct has not ended, the employee should report the incident directly to the General Manager who will take all appropriate steps, including commencing or continuing an investigation. Under no circumstances should any employee conclude that he or she is unable to report harassing or discriminatory conduct because reporting such conduct to the appropriate supervisor and/or the General Manager is inappropriate or unacceptable. If the reporting instructions set forth above cannot be followed, the employee should report the harassing or discriminatory conduct to any Senior Manager, and specifically advise such Senior Manager that there has been no other report of the harassing and/or discriminatory conduct.

If an employee cannot report the complaint to a supervisor or other member of management, contact your benefits administrator help line.

All internal complaints will be investigated promptly and with discretion. At the conclusion of an investigation, appropriate, remedial and/or disciplinary action will be taken where the allegations are verified and/or otherwise substantiated.

In order to allow the Company to prevent and correct unlawful harassing and/or discriminatory conduct, it is essential that employees use this Complaint Procedure and that the Company receives information about every instance of such conduct. **No employee will suffer retaliation or intimidation as a result of using this Complaint Procedure.** Accordingly, every employee should understand that under no circumstances should any employee believe that he or she cannot or should not report any unlawful harassing and/or discriminatory conduct.

## **Open Door Policy**

Every employee at the Company has a direct supervisor, any you will be told who that supervisor is. The supervisor's door is open. Employees are encouraged to discuss problems with, or direct complaints and suggestions to, their supervisor. If for some reason the supervisor is unavailable, employees are encouraged to speak with their supervisor's supervisor, human resources, an officer of the Company or the CEO.

## **Rules of Conduct**

When an employee does not perform satisfactorily or does not abide by the Company's generally accepted principles of good conduct and Core Values, the employee can expect appropriate disciplinary action to be taken, which may include verbal warnings, written warnings, reduction

of salary compensation, suspension, or discharge, depending on the severity of the violation. Any employee may be terminated by the Company with or without cause, and may be terminated or disciplined with or without any written warnings or less severe action by the Company.

### **Employee Loyalty and Conflicts of Interest**

Every employee owes the Company a duty of loyalty. This means that while the employee is employed by the Company, and in the performance of his or her job, the employee must always act in the best interests of the Company. First, every employee must not engage in any illegal or unethical conduct in the performance of his or her job. Second, in addition to the specific policies concerning, for example, Work Outside the Company and Gifts, each employee must not engage in any conduct or activities that create an actual, potential or apparent conflict between the employee's personal interests and the Company's interests, or which may otherwise adversely affect the employee's judgment or ability to act in the Company's best interests to perform the duties and responsibilities of his or her job.

### **Work Outside of the Company**

All salaried employees are expected to devote their best efforts and undivided loyalty to the Company's work. Full-time employees are not permitted to engage in any work outside the Company for which they receive compensation of any kind. If any full-time employee intends to engage in such work, he or she must advise his or her supervisor of the identity of the prospective employer and the nature of the prospective work prior to the performance of any services for that employer. The Company reserves the right to prohibit the employee from engaging in such work for compensation of any kind. The Company also reserves the right to prohibit any full-time or part-time employee from engaging in any work or activity, paid or unpaid, that in the Company's judgment creates a material conflict of interest related to any trade secret, proprietary information, or other proprietary or business interest of the company, or in the Company's judgment otherwise interferes with or adversely affects the full-time or part-time employee's performance or ability to perform the duties and responsibilities of his or her job.

### **Gifts**

It is against the Company's policy for any employee to accept from or to give to, any person or company or any representative of any person or company, with whom we do or may do business, any gifts or favors of more than \$50 value, including cash, merchandise, gift certificates, and weekend or vacation trips including free flights. Any such gifts or favors which may be delivered to your home or office must be reported to the immediate Supervisor or HR Manager, who will determine whether the gift is of value and whether it should be returned to the giver. The Company urges employees to pay for their own meals shared with suppliers, subject to reimbursement by the Company. The Supervisor or HR Manager must be informed if a gift is given to determine if it is to be returned, auctioned or given to charity.

### **Confidentiality**

All employees are required to comply with the terms of the Confidentiality clause contained in their Employment Agreements. In connection with that clause, all employees must protect all Confidential Information of the Company, its owners, affiliates and shareholders and their

respective employees and the family members of such owners and affiliates. Sound judgment and good common sense should be applied, but if at any time you are uncertain as to whether you can properly divulge information or answer questions, please refer the matter to an officer of the Company.

### **Company Property and Resources**

As with all Company property and resources, the Company's computer system, including the Internet and e-mail systems, its telephone and voice mail system, Company provided mobile phones, copiers, printers, and its facsimile system (collectively the Company's communication systems) are intended for authorized job related purposes only, and the Company's policies against discrimination or harassment of any kind in the workplace apply in full force to the use of these systems.

Specifically, all communication systems should be treated as a written means of communication and employees should not create, input, or transmit any computer generated or stored documents, information, or communications that would be in any way inappropriate or improper in paper form. In addition, all employees should be aware that computer-generated or stored documents, information, and communications may be subject to disclosure in litigation to the same extent as if in paper form.

The Company retains unrestricted access to, and reserves the right to retrieve and review, all documents, Internet, e-mail, voice mail, and facsimile communications or other information contained or stored in the Company's communication systems, including all computer discs and files, as well as desks, paper files, and other storage areas, electronic or otherwise. Each employee acknowledges that by his or her use of the Company's communications systems the employee waives any right to privacy in any part of the foregoing documents, Internet, E-mail, voice mail, or facsimile communications or other information and consents to their retrieval and review by the company. Employees are prohibited from using personal passwords that have not been approved by the Company, or from using any other employee's password, and the Company has retained a copy of all computer passwords.

### **Monitoring of Communications Systems**

This notice is to confirm the Company's existing and continuing policies, as specifically described below, regarding the monitoring of employee use of the Company's telephones, computers, and/or fax machines.

All telephone calls, computer e-mail and other computer uses, fax messages, or any other similar form of communications sent or received to or from any Company telephone, mobile phone, computer, or fax machine (whether or not on the Company premises) are subject to being reviewed, recorded, copied, and/or otherwise monitored by the Company.

The purposes of this review, recording, copying, or other monitoring include, among other things:

- Ensuring that Company telephones, mobile phones, computers, and fax machines are used only in connection with the business and operations of the Company



- Maintaining a record of employee interaction with customers and others on behalf of the Company
- Providing the Company with the means to evaluate such interaction, and when appropriate, to improve or correct such interaction by employees through training or instruction.

### **Software**

It is the policy of the Company to use only authorized copies of software programs or applications and to use them in accordance with their license agreements.

### **Photocopying of Copyrighted Materials**

The Company is committed to a policy of respect for the copyrights of all publications in print or electronic form. Employees should not make any copies, either printed or electronic, from copyrighted works without supervisory approval.

### **Solicitation and Distribution**

Solicitation of employees and distribution of non-work related literature during working time on firm premises is not permitted. Postings and communications on Company communication boards must be approved by a member of the site management team.

### **Taping/Eavesdropping On Conversations**

It is the policy of the Company to encourage open communications among our employees and between employees and management. To facilitate such open communications, and to prevent the chilling effect that may occur if employees are permitted to tape or secretly record or surreptitiously listen in on any conversation or communication, and to ensure compliance with applicable federal, state, and local wiretapping, eavesdropping, and privacy laws, the Company has instituted the following policy:

Without the prior written authorization of the Company's Chairman or CEO, no employee may openly or secretly tape or otherwise surreptitiously record, or videotape, any conversation, communication, activity, or event. This prohibition applies to any conversation, communication, activity, or event which in any way involves the Company or employees of the Company or any of our subsidiaries or affiliate companies, or any customers or clients, or any other individual with whom the Company is doing business or intending to do business in any capacity (for example, vendors, suppliers, consultants, attorneys, independent contractors). This policy also applies to conversations and communications with any other third parties unrelated to the Company including, but not limited to, outside legal counsel, auditors and regulatory officials.

“Taping” and “Recording” under this policy includes the taping or recording of any conversation or communication, regardless of whether the conversation or communication is taking place in person, over the telephone, or via any other communications device or equipment, and regardless of the method used to tape or record (e.g., as with a tape recorder, cell phone, video recorder,

mechanical recording, or wiretapping equipment), and regardless of where the conversation or communication takes place, i.e. whether on or off the Company's premises.

No employee may eavesdrop on the conversations or communications of other employees or non-employees in accordance with the same standards set forth above.

From time to time the Company may tape, record, videotape, or otherwise monitor conversations or other communications between employees and/or between employees and nonemployees for legitimate business purposes, such as customer service training, to protect the integrity of certain business transactions (for example, sales orders taken over the telephone), and for general site security monitoring. Generally, employees will be notified when such taping or recording occurs, in accordance with applicable laws and sound employee relations principles. Under certain circumstances, however, notice may not be given, such as where the Company is conducting an investigation into allegedly unlawful or unethical activities, in conjunction with regulatory or other enforcement authorities.

Violations of this policy may result in disciplinary action against the offending employee(s), up to and including termination of employment. Where the conduct engaged in is illegal, violators may also be subject to prosecution under applicable federal, state, or local laws.

If any employee has any questions or concerns regarding whether any contemplated taping or recording would violate this policy, he or she should discuss the matter with the President before engaging in any such activities.

### **Social Media Policy**

1. The Company's reputation for integrity and business ethics should never be taken for granted. To maintain that reputation, you must follow all of the Company's guidelines below and exercise good judgment in your decisions and actions.
2. Respect your audience and co-workers. Remember that the Company is a modern conglomerate whose seconded employees and clients reflect a diverse set of customs, values and points of view.
3. Do not forget your day job. You should make sure that your online activities do not interfere with your job or commitments.
4. If you use a social networking site as part of your social life please link it to a personal rather than a work email address to avoid unnecessary interruptions to your working day.
5. It is reasonable to conduct a limited number of phone calls to family and friends during the working week but try to keep this to the minimum necessary to make social arrangements for outside the working day. Similarly, the use of social networking as a recreational activity should not interrupt working hours.

In other words, you can manage some aspects of your social life from work but you must not conduct your social life at work.

6. Remember that the Internet is not anonymous, nor does it forget. Everything written on the Web can be traced back to its author one way or another and very easily. Information is backed up often and repeatedly. Posts in one forum are usually replicated in others through trackbacks and reposts or references.

**For those who have been authorized to post information or comments to social media sites as part of their job, the following applies:**

- If you are following people on Twitter do not get those Tweets pushed to you as a text message unless the monitoring of those Tweets is part of your job function.
- Do not participate in blogs or any other type of online conversation in which the Company is the subject of that conversation without prior authority from your line manager.
- Do not promote other brands with the Company's brand.
- Do not promote personal projects or endorse other brands, causes or opinions. Be sure to respect third party copyrights. If a personal opinion must be posted, clearly state to all readers this does not represent the opinions of the Company.
- If you publish contents to any website outside of the Company and it has something to do with work you do or subjects associated with the Company, use a disclaimer such as this: "The postings on this website are my own and do not necessarily represent the Company's positions, strategies or opinions".
- Do not post any confidential or proprietary information in regards to the Company or its clients.
- Do not cite or reference clients, partners or suppliers without their approval. When you do make a reference, where possible link back to source. It is acceptable to discuss general details about projects and use non-identifying pseudonyms for a client (e.g. client 123) so long as the information provided does not make it easy for someone to identify the client or violate any non-disclosure or intellectual property agreement that may be in place with the client.
- Respect copyright, fair use and financial disclosure laws.
- Do not create anonymous or pseudonym online profiles in order to falsely improve inward links to our websites and enhance view statistics.
- Do not comment on your own or another's posts in order to create a false sense of support.
- When reposting or referencing a post on one of the Company online sites, provide a link to the original post or story.

- When relevant, identify yourself and your affiliation with the Company and your area of concentration.
- Do not post self-laudatory statements regarding your work nor the Company.
- Do not post statements regarding the quality of your work nor the Company.
- Do not approve recommendations or testimonials. Recommendations and testimonials violate the ethics rules under which the Company operates. Individuals within the Company do not need to discourage others from posting promotional materials about the Company; however, the Company cannot link to them or have them posted on the Company's sites.
- Do not return fire. If a negative post or comment is found online about the Company, do not counter with another negative post. Instead, publicly offer to remedy the situation through positive action.
- Be first to respond to your own mistakes. If you make an error, be up front about your mistake and correct it quickly. In a blog, if you choose to modify an earlier post, make it clear that you have done so.
- Use your best judgment. Remember there are always consequences to what you publish. If you are about to publish anything that makes you even the slightest bit uncomfortable, review the suggestions and think about why that is. If you are still unsure, and it is related to the Company, feel free to discuss it with your direct supervisor. Ultimately, however, you have sole responsibility for what you post to your blog or publish in any form of online social media.
- Add value. The Company's brand is best represented by its people and everything you publish reflects upon it.

It is no exaggeration to say that the Company's integrity and reputation are in your hands.

All of the above Social Media policies apply to any on-line interactions related to The Libra Group - our parent company, and any of its affiliates.

### **Cell Phone Usage**

The following guidelines should be followed while using cell phones:

- Hands-free devices must be used while driving on company business.
- Non-work related calls may be taken, but must not interfere with normal work.
- Photographs of company assets must not be taken or shared without permission from your immediate supervisor.
- Cell phones must not be used while operating material handling and production equipment.
- Discrimination, harassment, internet, and communication policies apply to all company cell phones at all times.

### **Anti-Fraternization**

The Company prohibits supervisors and managers from dating any subordinate. Such relationships can be disruptive to the work environment, create a conflict or the appearance of a conflict of interest, and lead to charges of favoritism, discrimination, and claims of indirect sexual harassment. While the company has no desire to interfere with the personal lives of its employees, or their off duty conduct, where such conduct impacts upon the work environment in a negative manner, such as noted above, the Company reserves the right to take whatever action is appropriate, in its discretion, to protect the Company's interests.

### **Drug and Alcohol Use**

It is the Company's desire to provide a drug-free, healthful, and safe workplace. To promote this goal, employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory manner.

While on Company premises and while conducting business-related activities off Company premises, no employee may use, possess, distribute, sell, or be under the influence of alcohol or illegal drugs, except that, while engaged in business-related social activity an employee may use alcohol as long as such use does not impair his work performance or judgment. The legal use of prescribed drugs is permitted on the job only if it does not impair an employee's ability to perform the essential functions of the job effectively and in a safe manner that does not endanger other individuals in the workplace. Employees taking prescription drugs or over-the-counter medications that may impair their ability to perform the job safely and accurately must report the concern to their direct supervisor prior to reporting to work.

Violations of this policy may lead to disciplinary action, up to and including immediate termination of employment, and/or required participation in a substance abuse rehabilitation or treatment program. Such violations may also have legal consequences.

Under the Drug-Free Workplace Act, an employee who performs work for a government contract or grant must notify the Company of a criminal conviction for drug-related activity occurring in the workplace. The report must be made within five days of the conviction.

Employees with questions on this policy or issues related to drug or alcohol use in the workplace should raise their concerns with their supervisor or the HR Manager without fear of reprisal.

A more detailed drug and alcohol policy will be signed by all employees.

### **Personal Appearance**

Dress, grooming, and personal cleanliness standards contribute to the morale of all employees and affect the business image the Company presents to clients and visitors. In general, formal business attire should be worn on all occasions while working at the Corporate Offices during business hours or when representing the Company, you are expected to present a clean, neat, and tasteful appearance. You should dress and groom yourself according to the requirements of your position. This is particularly true if your job involves dealing with clients or visitors in person.

Your supervisor is responsible for establishing a reasonable dress code appropriate to the job you perform. If your supervisor feels your personal appearance is inappropriate, you may be asked to leave the workplace until you are properly dressed or groomed. Under such circumstance, you will not be compensated for the time away from work. Consult your supervisor in advance if you have questions as to what constitutes appropriate appearance. Where necessary, reasonable accommodation may be made to a person with a disability.

**Appropriate attire must be worn while working in Company manufacturing sites or customer manufacturing sites. This includes safety shoes, protective eye wear, high visibility vest, and hearing protection. Visitors may not be required to wear safety shoes depending on the nature of their work, but must not wear open toed shoes.**

### **Clean Desk Policy**

To protect confidential, private, and customer information, and to present the appropriate image to our customers, the Company maintains a Clean Desk Policy.

- At the end of each work day, employees are expected to tidy their desks and to file all work documents.
- Discard any unnecessary documents promptly. Be certain to shred all unnecessary documents that contain confidential, private, or customer information.
- File cabinets, desk drawers, and credenzas containing documents with confidential, private, or customer information must be locked (where applicable) at the end of each workday.
- Storage rooms containing documents with confidential, private, or customer information and record retention areas will be locked (where applicable) at the end of each workday.
- Desks, workstations, and work areas will be cleared of all business documents when not in use. This includes the end of each workday, lunches, breaks, and meetings.
- Any customer, vendor, or other unauthorized individual entering a non-customer area without authority or prior approval must be approached for assistance or immediately reported to management.

### **Workplace Violence Prevention**

The Company is committed to preventing workplace violence and to maintaining a safe work environment. Given the increasing violence in society in general, the Company has adopted the following guidelines to deal with intimidation, harassment, or other threats of (or actual) violence that may occur during business hours or on its premises.

All employees, including temporary employees, should be treated with courtesy and respect at all times. Employees are expected to refrain from fighting, “horseplay,” or other conduct that may be dangerous to others. Firearms, weapons, and other dangerous or hazardous devices or substances are prohibited from the premises of the Company without proper authorization.

Conduct that threatens, intimidates, or coerces another employee, a client, or a member of the public at any time, including off-duty periods, will not be tolerated. This prohibition includes all acts of harassment, including harassment that is based on an individual’s sex, race, age, or any characteristic protected by federal, state, or local law.

All threats of (or actual) violence, both direct and indirect, should be reported as soon as possible to your immediate manager or any other member of management. This includes threats by employees, as well as threats by customers, vendors, solicitors, or other members of the public. When reporting a threat of violence, you should be as specific and detailed as possible.

All suspicious individuals or activities should also be reported as soon as possible to a manager. Do not place yourself in danger. If you see or hear a commotion or disturbance near your work station, do not try to intercede or see what is happening.

The Company will promptly and thoroughly investigate all reports of threats of (or actual) violence and of suspicious individuals or activities. The identity of the individual making a report will be protected as much as is practical. In order to maintain workplace safety and the integrity of its investigation, the Company may suspend employees, either with or without pay, pending investigation.

Anyone determined to be responsible for threats of (or actual) violence or other conduct that is in violation of these guidelines will be subject to prompt disciplinary action up to and including termination of employment.

The Company encourages employees to bring their disputes or differences with other employees to the attention of their supervisor or other member of management before the situation escalates into potential violence. The Company is eager to assist in the resolution of employee disputes, and will not discipline employees for raising such concerns.

### **Victims of Domestic Violence, Sex Offenses and Stalking**

For Employees working in New York City, applicable law prohibits discrimination in employment because of the actual or perceived status of an Employee as a victim of domestic violence, or as a victim of sex offenses or stalking. In compliance with this law, the Company also provides reasonable accommodation for such Employees to enable them to perform the essential functions of their job. This policy governs all terms, conditions and privileges of employment, including selection, job assignment, compensation, discipline, termination and access to benefits and training. "Victims of domestic violence" shall mean a person who has been subjected to acts or threats of violence, not including acts of self-defense, committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabiting with or has cohabited with the victim, by a person who is or has been in a continuing social relationship of a romantic or intimate nature with the victim, or a person who is or has continually or at regular intervals lived in the same household as the victim. "Victim of sex offenses or stalking" shall mean a victim of acts which would constitute violations of article 130 of the New York State penal law, or a victim of acts which would constitute violations of sections 120.45, 120.50, 120.55, or 120.60 of the New York State penal law. The Company may require that an Employee needing a reasonable accommodation provide a certification of the Employee's status as a victim of domestic violence, or as a victim of sex offenses or stalking. Any Employee with a question concerning this Policy should speak to the President.



## **Salary Review**

Salary may be reviewed, depending on circumstances, at various times throughout the year. Typical times are at year-end. Salary increases are determined by the Company and are based on individual, business unit, and Company performance as well as current economic conditions.

## **Work Hours and Overtime**

### **The Work Week**

The Company's work week begins on the Monday of each calendar week for salaried employees and Sunday at 6am for hourly employees. Work hours will be established at each Company location based on shift rotation schedules, business requirements, and customer needs. Shift rotations will vary by location, but are expected to rotate weekly on a 5-day or 7-day schedule.

### **Fair Labor Standards Act ("FLSA")**

The Company will pay overtime pay to an employee covered by the FLSA if that employee works more than forty (40) hours in a work week, or 12 hours per day, or in accordance with the laws of the state where the employee is located. Employees who are exempt from FLSA coverage do not receive overtime pay but instead are paid on an annual salary basis. Normally, exempt employees meet the FLSA's definition of "Executive", "Administrative" or "Professional." Other employees may be exempt from overtime obligations under various provisions of the FLSA and state wage and hour law. The Company will advise each employee whether he or she is exempt or not exempt from the FLSA, and the Company will not change an employee's status without advising of the change in writing.

Employees covered by the FLSA will receive overtime pay of 1.5 times his or her regular hourly rate of pay for each hour worked in excess of forty (40) hours in a work week, or 12 hours per day, or according to local state laws. Employees covered by the FLSA must obtain approval from a supervisor prior to working overtime.

### **Part Time/ Full Time**

A part-time employee is an employee who works fewer than 30 hours per week. All other employees are full-time. Unless specifically stated, part-time employees do not receive benefits (such as sick days, vacation days, health insurance) except as may be required by law. The Company will not change an employee's status without informing the employee of the change in writing.

## **Deductions from Salaries of Exempt Employees**

It is the policy of the Company to comply with all applicable laws related to deductions from the salaries of any exempt Employee and the Company strictly prohibits any improper deductions from the salaries of any exempt Employees. Deductions are permitted in certain situations, which are described below. Additionally, an Employee is not entitled to be paid for any workweek in which the Employee performs no work. An Employee's compensation, however, is not subject to reduction in any specific pay period based upon the quality or quantity of work



performed. Deductions from the Employee's predetermined compensation shall not be made for absences caused by the Company or by the Company's operating requirements. Therefore, subject to the exceptions listed below, an exempt Employee must receive the full salary for any workweek in which the Employee performs any work, regardless of the number of days or hours worked.

### **Circumstances in Which Deductions are Permitted**

Deductions from the pay of an exempt Employee are permitted in the following situations:

- absences from work for one or more full days for personal reasons other than sickness or disability;
- absences from work for one or more full days due to sickness or disability if the deduction is made in accordance with the Company's policy of providing compensation for days lost due to sickness or disability (which means that if absences exceed the number of days for which the Employee is to be paid under the applicable policy, the Employee will not be paid for those full days of absence);
- suspensions of one or more full days of work imposed in good faith for infractions of workplace conduct rules, e.g., violation of the anti-harassment policy or policies concerning workplace violence.

Additionally, the Company is not required to pay the full weekly salary of an Employee in the Employee's initial or terminal week of employment, or for weeks in which an exempt Employee takes unpaid leave under the Family and Medical Leave Act. Finally, deductions from salary may be made for penalties imposed in good faith for violations of safety rules of a major significance.

### **Reimbursement for Expenses**

Authorized Company-related expenses, such as travel to other cities, long distance telephone calls made outside the office, or business meals, may be put on a personal credit card to be reimbursed by the accounting office, providing the employee incurring these expenses has obtained prior approval from the a member of the management team. The accounting office may also issue a cash advance to cover anticipated expenses. No reimbursement will be made without a receipt for the expense unless specifically authorized by a member of the management team.

### **Payday**

The Company operates on a bi-weekly pay schedule with payment occurring by the end-of-the-business day on the Friday following the end of the bi-weekly pay cycle. All employees are expected to receive their pay through direct deposit only.

### **Benefits**

The Company provides the following benefits to eligible employees:

- employee and family health insurance, including dental and vision, company sponsored 401K retirement plan
- workers' compensation insurance
- Long term disability
- Short term disability
- Life insurance options
- Flexible spending health care accounts

Please refer to your benefits booklets for the current and complete description of these benefits and cost to the employee. Detailed information on any available benefits not described in this handbook or in your benefits booklets is available to eligible employees from the Office Manager. The Company and the plan administrators retain the maximum discretion permitted by law to modify, discontinue, change, or enhance all benefit plans.

### **Employee Education**

The Company encourages its employees to take advantage of continuing education opportunities. If you are interested in attending a seminar or class that is directly related to your job, talk to your supervisor. Your supervisor will discuss it with management, who will decide if the course is appropriate, the cost is justified, or if funds are available to pay for some or all of the course costs.

### **Smoking Policy**

The Company has a no-smoking policy on all Company properties, but local laws will supercede Company policies where applicable. In order to protect the health and well-being of our employees and customers, it is the intent of the Company to prohibit the use of any tobacco products on all company properties and in all company buildings.

### **Sick Days**

The Company provides paid time off (PTO) for all vacations, sicknesses, personal days, personal emergencies, etc. Additional time off may be approved on a discretionary basis. The employee is expected to manage PTO days in order to receive pay during periods of sickness or absence. The Company reserves the right to request a doctor's note to verify any illness if management feels this policy is being abused. There is no right for employees to accrue sick time nor any right to receive pay in respect of unused sick time.

Specific hourly employee attendance policies may be developed for each Company manufacturing site. (See Appendix A)

### **Military Leave Of Absence**

If you are a full-time employee and are inducted into the U.S. Armed Forces or state guard, you will be eligible for re-employment after completing military service, provided:

- You show your orders to your manager as soon as you receive them.
- You satisfactorily complete your active duty service.
- You enter the military service directly from your employment with the Company.
- You apply for and are available for re-employment within ninety (90) days after discharge from active duty.
- If you are returning from up to six (6) months active duty for training, you must apply within a reasonable time (usually thirty (30) days) after discharge.

You are expected to notify your manager as soon as you are aware of the dates you will be on duty so that arrangements can be made for replacement during this absence.

### **Compassionate Leave**

Compassionate leave will be granted in the case of a death in your immediate family. Members of the immediate family are considered to be your spouse, children, father, mother, brothers, sisters, grandparents, grandchildren, father-in-law, or mother-in-law. For absences due to the death of a relative other than a member of your immediate family, you will be allowed compassionate leave, with or without pay based on the discretion of your supervisor.

Specific Compassionate Leave guidelines may be developed for each manufacturing site. (See Appendix A)

### **Jury Duty**

If you are called for jury duty the Company will pay the employee based on Jury Duty guidelines established for each site. (See Appendix A)

### **Holidays**

The Company provides nine paid holidays each year (72 hrs). The Company will normally observe the following holidays, but may make exceptions or changes based on local traditions and business needs, including floating holidays when needed:

- New Years Day
- Memorial Day
- Independence Day
- Labor Day
- Thursday and Friday of Thanksgiving weekend
- Christmas Eve
- Christmas Day
- New Year's Eve

## **Vacations**

The Company provides paid time off (PTO) days for all full time employees. Each site will develop specific PTO guidelines. (See Appendix A)

PTO days are accrued over the year on a monthly basis and must be used in the year they are accrued. Exceptions may be approved by your supervisor to carry over up to 5 days of PTO based on business needs. Employees will not receive pay for accrued unused vacation.

Eligibility for PTO days begins after 60 days of employment. The monthly accrual will increase in the next month after completing the required service period.

For example, if an employee is hired on July 15, the employee will first be eligible for vacation as of September 15 of the same year. The employee will accrue a prorated total of 4.5 days of PTO by year end.

Attendance guidelines, seniority rules, vacation sign-up guidelines, etc will be developed specifically for each site. (See Appendix A)

## **Personnel Records**

It is your responsibility to inform the accounting department of any change in your home address, telephone number, marital status, number of dependents, or other relevant personal data. If the information in your file is not correct, problems may arise concerning your taxes, employee benefits, and other important matters.

## **Exit Interview**

Any employee who leaves the Company should consult with their supervisor about his or her final salary settlement and the continuation of group life and health insurance coverage. Company property (keys, business cards, computers, cell phones, etc.) should be turned over to the supervisor. A forwarding address and phone number should be left so that any money owed you or such documents as the annual IRS W-2 income tax forms can be sent to you.

If there are questions about any matters discussed in the handbook, please feel free to speak with your supervisor, HR Manager, Plant Manager, etc.

## **Employee Contracts**

In some cases, individual employment agreements may supercede portions of the employee handbook.

## **Appendix A: Convergen Fuels WI LLC**

### **CONVERGEN ENERGY CORE VALUES**

1. **Safety:** All team members are expected to work safely and follow all safety rules and procedures. You are your “brother’s keeper”. Team members will watch out for each other and ensure everyone is working safely. All team members will participate in safety program initiatives.
2. **Teamwork:** Teamwork is the key to success. All winning organizations work together as a team. Teamwork and cooperation are expected of all individuals at all levels of the organization.
3. **Integrity & Trust:** Convergen Energy will uphold an environment of integrity and trust in all we do. Team members will work in self-managed teams with minimal supervision. Everyone will conduct themselves in a responsible, loyal, honest, and ethical manner.
4. **Environment:** Our business is built on promoting renewable energy and improving the environment for future generations. Convergen Fuels will lead and promote environmental responsibility within our manufacturing site and within the community.
5. **Quality:** Convergen Energy and its team members will provide our customers with consistent quality and service that meets, or exceeds, product specifications and customer expectations.
6. **Respect:** All team members will be treated with dignity and respect. Everyone is expected to treat each other with dignity and respect at all times in order to maintain a positive work environment and promote team work.
7. **Attendance:** Consistent attendance is required by all team members in order to promote teamwork and achieve business success.

### **SAFETY**

1. Personal Protective Equipment (PPE) will be worn in the manufacturing areas:
  - a. Safety glasses
  - b. Safety shoes
  - c. Hearing protection where required
  - d. Gloves will be worn during all cutting operations and while working on hot equipment
  - e. Hard hats will be worn in construction areas
2. Lock Out Tag Out (LOTO) procedures will be followed by all team members.
3. Only trained and certified Electro-Mechanical Technicians will be allowed to open or work in electrical cabinets for any reason.

4. Every team member must complete annual OSHA training: ESWOP, HAZMAT, LOTO, fork lift, and PPE.
5. Each team member will receive reimbursement up to \$100 per year for safety shoes and up to \$200 every other year for prescription safety glasses. Exceptions may be approved by your supervisor if glasses are damaged while on the job.

## **VACATION**

One week equals 40 hours of straight time base pay rate.

Vacation can be used in four-hour increments and must be scheduled at least 48 hours prior to the shift in order to be considered as a “scheduled” vacation. “Unscheduled” vacation or paid time off will fall under the attendance policy as an absence unless approved by your immediate Supervisor. Vacation sign-up procedures and guidelines will be published annually. One hour of vacation must be used for every one hour of time off. For example, in order to take a full day of vacation while working a 12-hr shift schedule, twelve hours of vacation time must be used.

Vacation pay may be taken on scheduled days off if the employee prefers to receive payment for the vacation in lieu of time off.

After termination of employment, vacation will be prorated based on the date of termination and will be paid to the employee.

- 10 days of PTO annually for the first two years of employment.
- 15 days of PTO annually starting the third year of employment.
- 20 days of PTO annually starting the sixth year
  - Example: If an employee is hired on July 1, 2010. Beginning January 1, 2012 the employee will be eligible for 15 days of PTO. The increase in PTO can be used any time during the year the anniversary occurs.

## **OVERTIME PAY**

Overtime pay is defined as 1.5 times the normal base hourly rate. Overtime will be paid for hours worked during the following:

1. Any hours worked in excess of 12 hours in any given day (6am to 6am)
2. Any hours worked in excess of 40 hours in any given week (Sunday 6am to Sunday 6am)
3. Any holidays worked.

## **HOLIDAYS**

Business conditions will determine whether the plant will be operating during the Holiday. If the plant is shut down for the holiday, each team member will receive 8 hrs of paid time off on the Holiday. If the plant remains open, team members who work the holiday will receive 8 hours of straight time holiday pay along with their normal rate of pay times 1.5. In order to receive Holiday pay, a team member must work the scheduled day before, during, and after the Holiday.

If floating holidays are provided in a given year, the employee must be hired prior to January 1 of that year in order to be eligible to receive the floating holiday. A floating holiday may be used for one full day of vacation, but will only provide 8 hours of pay.

## **ATTENDANCE**

Convergen Energy offers a generous paid time off (PTO) policy. It is expected that all team members will come to work when scheduled in order to meet business needs and promote teamwork. However, it is recognized that unplanned events happen occasionally. Effective teamwork must be accompanied by consistent attendance.

1. Consecutive days count as one absence for up to the first three consecutive scheduled workdays. If absent for three consecutive scheduled work days, the absence must be substantiated by a doctor's slip for the team member or their dependent within ten days of returning to work. Failure to provide the doctor's slip will result in each additional day counted as additional absences.
2. Arriving to work late by up to four hours is considered tardy and will count as a half day of absence. Two tardies will be considered as one absence.
3. Leaving work early by up to four (4) hours will count as a half day of absence.
4. Failure to complete any scheduled shift by more than four (4) hours will be counted as a full day of absence.
5. Excused absences do not count as absences under this policy and are as follows:
  - a. Jury duty, FMLA leave, funeral leave, mandatory court appearances, accident on the job, disciplinary time off.
  - b. Road conditions when the schools within the team member's school district are closed on the day of their scheduled shift. Road conditions at the Company's discretion for tardiness.

## **SHORT TERM DISABILITY**

The company provides short term disability for any workers injured or sick for more than two weeks and having an acceptable doctor's excused absence. Short term disability pays 60% of the employee's average 40-hr/week salary. Short term disability lasts for up to six months. An employee is not eligible to receive vacation pay or holiday pay while off of work due to short or long term disability. An employee's benefits are paid by the company through the end of the first month of short term disability. After the end of the first month, the benefit costs must be paid by the employee.

## **JOB POSTINGS**

When new hourly job positions are created, the job will be posted. All eligible team members may apply for the posting based on the position description requirements. The posting will be filled by job knowledge, skill, ability, and physical fitness. In the event two or more team members have equal qualifications, seniority will be the determining factor.

### **FUNERAL LEAVE**

All team members shall be eligible for paid funeral leave as follows:

- a. Death of a spouse, child, mother, or father - 3 days
- b. Death of immediate family: sister, brother, grandchildren, mother-in-law, father-in-law - 2 days
- c. In the case of the death of other family members or friends not listed above, unpaid leave of absence may be granted with permission from the Plant Manager.

### **JURY DUTY**

If an employee is called upon to serve on Jury Duty, appropriate paperwork documenting the duration of the service must be provided to the HR Manager. The employee must provide documentation of all amounts of monetary compensation received for serving on Jury Duty. Convergen Energy will pay the employee's full straight-time salary for the time missed minus the amount received by the State.

### **TOBACCO POLICY**

Convergen Fuels will provide a safe and healthy work environment for our team members. The use of tobacco products will not be allowed on company property at any time (this includes smoking and chewing tobacco products, or any other form of tobacco use).



### **Receipt for Company Handbook**

The undersigned, an employee of the Company, acknowledges receipt of a copy of the Company Handbook. You are responsible for the copy assigned to you and must return it if you leave the employ of the Company. The Handbook is confidential, and its contents are not to be reproduced or made available to anyone outside the Company.

The Handbook is intended to provide a general outline of various policies, practices, and guidelines regarding your employment. However, this Handbook is not intended to describe and specify policies, practices, and guidelines for all possible circumstances, and the Company reserves the right to supplement, to delete, or to modify any of the policies, practices, or guidelines contained in this Handbook or any other writing, or which may otherwise exist, or to create additional policies, practices, or guidelines at any time and without prior notice. This policy may be modified occasionally to comply with local and state laws and does not supercede existing laws. Further, the Company also reserves the right, in the exercise of its discretion in individual cases, to waive or to decline to follow any policies, practices, or guidelines contained in this Handbook or any other writing, or which may otherwise exist. Accordingly, the policies, practices, and guidelines contained in this Handbook or any other writing, or which may otherwise exist, are not intended to and do not constitute a contract between the Company and you, and the Company does not promise that any of those policies, practices, or guidelines will be binding on the Company, except as may be required by law.

Your employment with the Company is at-will, which means that you and the Company are free to terminate your employment at any time, for any reason, with or without notice. Accordingly, the Company's exercise of its right to terminate your employment remains wholly within its discretion, subject to the requirements of law, and is not limited to instances in which there has been a breach of any of the policies, practices, or guidelines, contained in this Handbook or any other writing, or which may otherwise exist. No written or oral statement, representation, or agreement that is contrary to this at-will employment relationship shall be effective and binding upon the Company, unless it is contained in an express written contract that is signed by you and an authorized officer of the Company, and the Company does not intend to be bound to any oral statement, representation, or agreement or unsigned writing of any kind.

Date \_\_\_\_\_ Signature \_\_\_\_\_

Print Name \_\_\_\_\_

### **Employee Acknowledgment –Anti-Harassment Policy**

Each employee is asked to sign and date a copy of this Anti-Harassment Policy Statement, and return that copy to the Supervisor, to confirm that he or she has received and understands this Policy and the Complaint Procedure.

Name: \_\_\_\_\_ Date \_\_\_\_\_